GOVERNMENT OF INDIA
LAW , JUSTICE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:6581
ANSWERED ON:09.05.2002
DIVERSION OF PUBLIC FINANCE COMPANIES
M.H. AMBAREESH;NAMDEO HARBAJI DIWATHE

Will the Minister of LAW , JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Government have been inquiring into the cases of diversion of Public Financial Institutions` money in many sister companies by many business houses including Reliance Petroleum Ltd.;

(b) if so, the details thereaof; and

(c) the action proposed to be taken by the Government against these companies?

Answer

MINISTER OF LAW, JUSTICE & COMPANY AFFAIRS (SHRI ARUN JAITELY)

(a), (b) & (c) Inspection under Section 209A of the Companies Act, 1956 are ordered on the basis of complaints received in the Department, references received from various other Government Departments/Institutions, suggestions received from field offices on the basis of scrutiny of documents filed by the companies etc. If a company under inspection reveals utilization of money in violation of Companies Act, 1956, appropriate action under the law is taken against the company.